(39) Dosut
(40) Gopalpur
(41) Dalhi
(42) Birjumilki
(43) Narsanda
(44) Badarbali
(45) Jagatpur
(46) Kharthua
(47) Sirai
(48) Knhaiganj
(49) Khojpura
(50) Khushyalpur
(51) Narayanpur
(52) Pitambarpur
(53) Mandachh
(54) Salopur

Decline in FDI inflow

960. SHRI NILOTPAL BASU: Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether Government are aware of the report "FDI inflows in three sectors decline sharply—ASSOCHAM";

(b) if so, the response of Government thereon;

(c) the FDI inflows in the communication sector during the last three years, each year, year-wise, sector-wise and the country of origin-wise;

(d) the break-up of these investments for Mergers and Acquisitions (M and A) and green field projects; and

(e) the assessment of Government regarding the quantum of FDI inflows?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR): (a) Yes, Sir.

(b) While it is true that actual inflow of Foreign Direct Investment (FDI) during 1999 had declined, approvals for such investment has showed an upward trend in 1999 as compared to the previous year.

(c) The FDI inflow in the telecom sector, year-wise, sector-wise and country-wise for the last three years (1997, 1998 and 1999) are given in the statement I, II and III. respectively (*see below*)

(d) The information in not centrally maintained.

(e) There is a great deal of interest in foreign investors' circles in Indian Telecom Sector. It is hoped that with new investment opportunities in long distance and new circle etc, there would be a greater response. At present, there are about 27 million telephones working in the country representing a teledensity of 2.7 New Telecom Policy, 99 envisages a teledensity of 7 by the year 2005 and 15 by the year 2010. This implies that approximately 50 million additional telephone connections would be required to be provided by the year 2005 and a further 100 million by the year 2010. At current prices, this translates into an additional investment of approximately US $ 38 billion by the year 2005 and US $ 70 billion in the next five years i.e. by 2010.

Statement I

FDI inflow in the telecom sector for the last three years (1997, 1998, 1999)

(Rs. in Lakhs)

Sl.No.	Year	Inflow
1.	1997	124519
2.	1998	177564
3.	1999	21267

Statement II

Sectorwise Break up of FDI inflow in Major Telecom Sectors for the years 1997, 1998 & 1999

(Rs. in Lakhs)

Sl. No.	Sector	Inflow Amount		
		1997	1998	1999
1.	Basic Telephone Service	—	26460.00	—
2.	Cellular Mobile Telephone Service	85616.21	82603.76	20973.05
3.	Radio Paging Service	4154.40	311.06	—
4.	VSAT Service	534.68	240.00	196.00
5.	Radio Trunking Service	750.13	582.94	—
6.	Manufacturing & Consultancy	2387.81	9539.92	—
7.	Holding/Investment Companies	17191.43	57618.06	—
8.	Others	13884.08	208.26	97.98

Statement III

Countrywise Break up of FDI inflow of Major countries in the Telecom Sector during the year 1997, 1998, 1999

(Rs. in Lakhs)

Sl. No.	Name of the country	Inflow Amount		
		1997	1998	1999
1.	Australia	612.50	730.00	—
2.	Canada	500.00	700.40	760.00
3.	Denmark	35.00	—	—
4.	Finland	1599.00	—	—
5.	France	—	2113.98	1196.00
6.	Hong Kong	6057.50	550.00	—
7.	Israel	5600.00	—	—
8.	Japan	200.00	608.99	—
9.	Malaysia	3672.81	258.24	—

Sl. No.	Name of the country	Inflow Amount		
		1997	1998	1999
10.	Mauritius	86694.18	155207.56	19211.03
11.	Netherlands	1752.40	—	—
12.	Philippines	612.50	—	—
13.	South Korea	245.00	311.06	—
14.	Thailand	11434.88	—	—
15.	U.K.	846.00	4940.00	—
16.	U.S.A.	4439.68	12069.80	100.00
17.	Others	217.29	73.97	—

Tax and Dividend paid by MTNL

961. SHRI NILOTPAL BASU: Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether a major objective for the incorporation of MTNL was to access the market to raise resources for the expansion programme of the DoT;

(b) if so, whether it is also a fact that each year the budget proposals have imposed ceilings on how much resources could be raised by MTNL from the market;

(c) if so, the ceilings indicated in the last three years, year-wise; and

(d) the tax and dividends paid by the MTNL to Government during the last three years, year-wise and head-wise?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR): (a) As per the object clause of the Memorandum of Associations of MTNL, one of the main objectives of the MTNL is to raise necessary financial resources for development needs for Telecommunications services in the areas managed by the Company and also for the other parts of the Telecommunication network in the country managed by the Telecommunications Board.

(b) Each year Planning Commission approves the Plan Outlay of DTS and MTNL which includes funding pattern of the Plan Outlay, i.e. amount to be met out of Internal Resources, Market Borrowings (Bonds), Budgetary Support and others.